for smoother global integration domestic inflation should ideally and optimally be close to three per cent which is the average medium term rate prevailing in industrialized countries. Though the containment of inflation remains high on the agenda of the Government, it has not set any target for inflation.

Assessment of inflation

†952. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Consumer Price Index is considered as the ground for acute assessment of inflation in most of the countries of the world;

(b) if so, the details thereof and Government's reaction thereto;

(c) whether the Wholesale Price Index has been made the basis for this purpose in India instead of Consumer Price Index;

(d) if so, the reasons therefor;

(e) whether it is also a fact that there is a difference between the rates of Wholesale Price Index and Consumer Price Index; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (f) Yes, Sir. In India currently there are four Consumer Price Indices, but all these indices are specific to a particular class. There is as yet no common consumer price index. Wholesale Price Index with wider commodity coverage is, therefore, used to measure headline inflation. Month wise details of year-on-year inflation rates based on four consumer price indices and the wholesale price index during current financial year are indicated in the Table below.

Year-on-year inflation rates in per cent
(April 2007 to June 2007)

Type	WPI	CPI(IW)	CPI(UNME)	CPI(AL)	CPI(RL)
BASE	93-94	1982	84-85	86-87	86-87
APR	6.28	6.67	7.74	9.44	9.12
MAY	5.46	6.61	6.79	8.22	7.90
JUNE	4.38*	5.69	6.08	7.84	7.53

* Provisional

† Original notice of the question was received in Hindi.